

FISCAL NOTE

SB 922 - HB 1133

March 8, 1997

SUMMARY OF BILL: Provides an additional remedy to municipalities attempting to annex territories whose electricity is provided by a state instrumentality. Such municipalities would have the option to either offer to purchase the facilities within the annexed area, or to grant the instrumentality a franchise to continue providing service in the annexed territory. Current law requires that the parties reach an agreement for the conveyance of the service and if such an agreement cannot be reached within 60 days, the parties would go to binding arbitration for resolution of the issue.

ESTIMATED FISCAL IMPACT:

MINIMAL

Assumes that the fiscal impact would be any difference between what the annexing municipality would have had to pay under binding arbitration in the absence of this bill, and what the statute *requires* such municipality to pay if it chooses to offer to purchase the service under the option provided by the bill. The estimate assumes such difference to be minimal. It also assumes that the municipality's option of granting a franchise to the instrumentality to continue providing service in the annexed area would have a minimal impact.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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